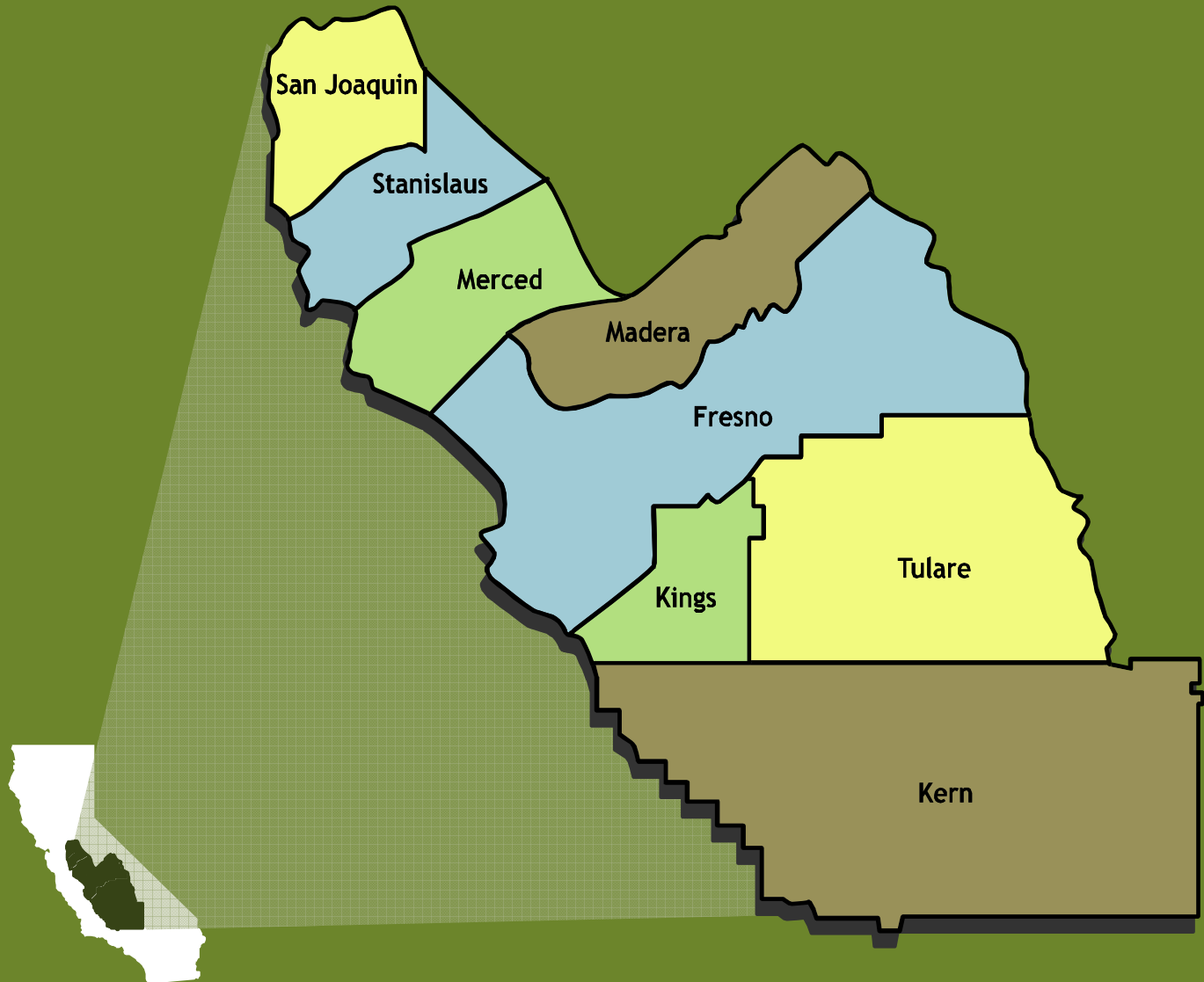


Proposed Action Plan for the Economic Recovery of the San Joaquin Valley

August 2004

San Joaquin Valley



Presentation

- The plight of the San Joaquin Valley
- Why this matters to all Californians
- What the region is doing
- What the Federal Government is doing
- What we need from the State Government
- Proposed Action Plan for the Economic Recovery of the San Joaquin Valley

The San Joaquin Valley is The Most Depressed Region in the U.S.

- Worst unemployment in the nation



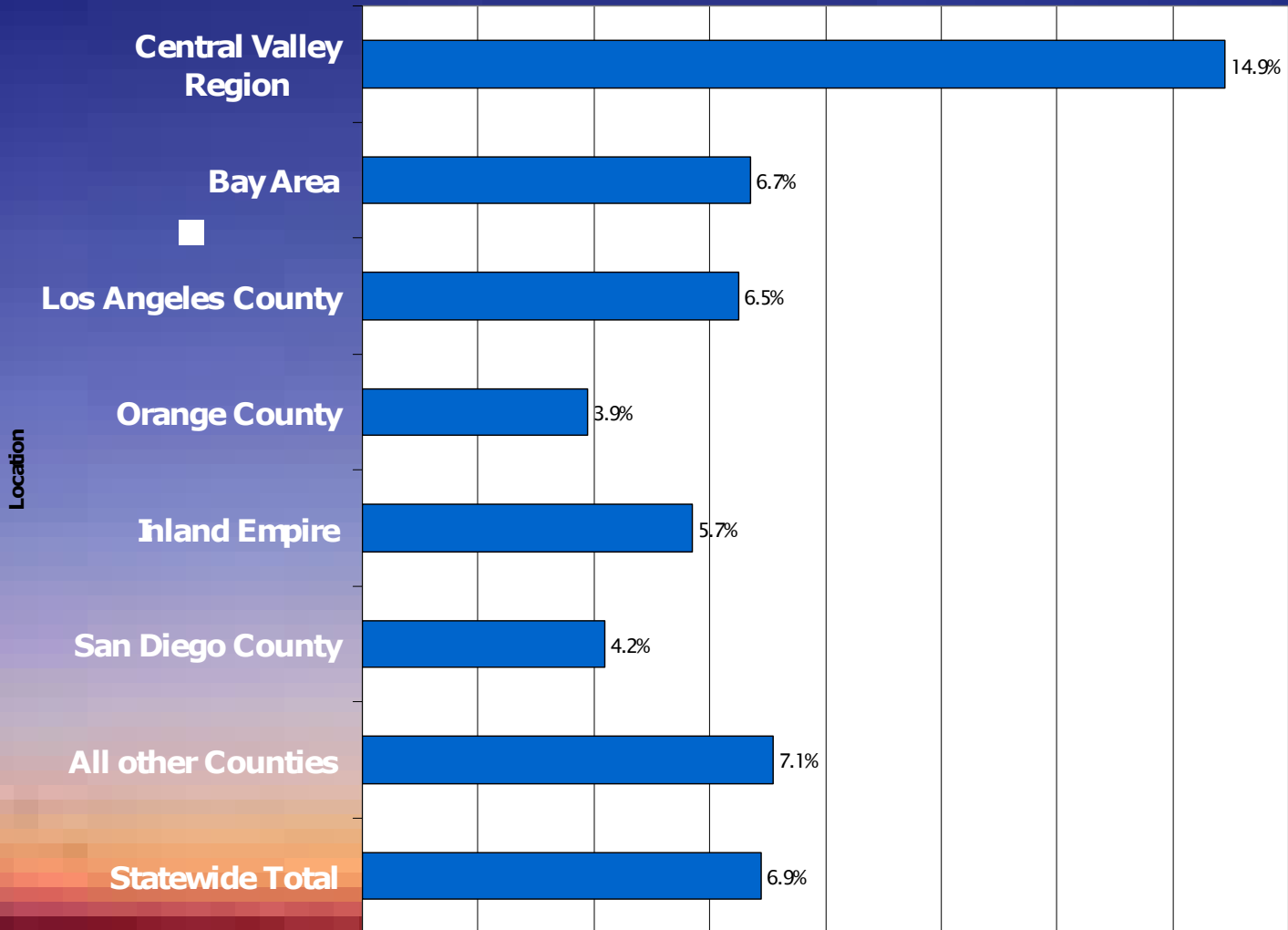
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Unemployment Rates for San Joaquin Valley MSA's

<u>Metropolitan Area</u>	<u>Rank</u>	<u>Rate</u>
Stockton-Lodi	320	10.1%
Modesto	324	11.5%
Bakersfield	325	12.3%
Fresno	328	14.0%
Merced	329	14.8%
Visalia-Tulare-Porterville	330	15.5%

*2003 Annual Average Rankings (331 total MSA's), U.S. Dept. of Labor

Unemployment by Location in California



The San Joaquin Valley is The Most Depressed Region in the U.S.

- Worst unemployment in the nation
- Highest poverty rate in California



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Poverty



- More than one in five San Joaquin Valley residents live in poverty
- Poverty rate is more than twice the State average
- Per capita income is 32% less than State average



The San Joaquin Valley is The Most Depressed Region in the U.S.

- Worst unemployment in the nation
- Highest poverty rate in California
- Dismal health care access

Health Care



- 140 Physicians per 100,000 population compared to 270 state average
- One in six Valley residents does not have health insurance
- Epidemic respiratory, diabetes, substance abuse and teen pregnancy problems

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The San Joaquin Valley is The Most Depressed Region in the U.S.

- Worst unemployment in the nation
- Highest poverty rate in California
- Dismal health care access
- Worst air quality in the nation

Air Quality

- EPA has declared the Valley an “extreme non-attainment zone”
- Currently # 2, the Valley is expected to be #1 in *worst air quality* in the nation by year-end.
- About 2/3 of pollutants result from conditions outside the region’s control

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- Lowest educational attainment

Education

- One third of students drop out, almost twice the State average
- Almost 60% of unemployment claimants have no high school degree or GED
- Percentage obtaining Bachelor's degree is about half the state average



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- Highest crime rates in the State

Crime

- Crime Rates much higher than California Average
- Statewide Crime Rate - 3,948/100,000 (2002 FBI Data)
- Fresno County - 6,112 Tulare Co - 5,052
- Stanislaus Co - 5,954 Merced Co. - 5,040
- Felony Arrests per 100,000 in Central Valley run 50%-70% higher than State average
- 3 of the top 5 Metro areas in the U.S. for Auto Thefts are in the Central Valley
- Central Valley considered meth capital of U.S.

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- Highest crime rates in the State
- Badly neglected infrastructure

Infrastructure

- Highest electricity rates in the state
- Largest urban corridor in the nation without an Interstate
- Highway 99, lifeline of the San Joaquin Valley, has had minimal upgrades since it was built in 1909
 - Carries more truck traffic than any other highway west of the Mississippi
 - It is the urban, trade, farm-to-market, defense and NAFTA corridor

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- Highest crime rates in the State
- Badly neglected infrastructure
- Fastest population growth rate in California



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Population Growth Trends

- Population of 8 San Joaquin counties grew by **23.6%** from 1990 to 2000 compared to **13.8%** Statewide
- San Joaquin Valley population grew by **2.7%** from 2000 to 2003 compared to Statewide growth of **1.7%**
- For comparison, Los Angeles County grew **1.6%**, Orange County grew **1.4%**, and San Francisco a negative (**0.2%**)

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- Highest crime rates in the State
- Badly neglected infrastructure
- Fastest growth rate in California
- History of neglect from State government

Neglect from State Government

- Federal grants (administered by State of California) are 23% below State average
- Medicare reimbursement rates are lowest in the State
- Severe under-funding of mandated child welfare services
- Severe under-equity position in judicial positions
- Highway funding by lane mile lowest in the State
- School funding is \$247 per pupil below State Avg.
- No focused attention on Valley issues

State Board & Commission Appointments (as of June 15, 2004)

- Of 37 members of the California Commission for Jobs and Economic Growth, *only one* is from the San Joaquin Valley
- Appointees to the other 34 most significant boards and commissions:

– Los Angeles County	78
– Bay Area	63
– San Diego	18
– San Joaquin Valley	16

Why this matters to all Californians



- Social reasons
- High cost to all taxpayers: unemployment benefits, social services, health care.
- Cost to our justice system: hopelessness leads to crime and chemical dependency
- The unemployed do not contribute to the State's tax base
- High ROI potential

What is to be done about this situation?

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What the Region is Doing

Ongoing Leadership

- Great Valley Center
- San Joaquin Valley Mayors Conference
- California Central Valley Economic Development Corporation
- Central Valley Higher Education Consortium
- Consortium of San Joaquin Valley Workforce Investment Boards

What the Region is Doing

A Few Examples

- Regional Jobs Initiative



Regional Jobs Initiative

- A public-private initiative to fundamentally change approach to business competitiveness, job creation and economic diversification
 - 9 Industry Clusters
 - 9 Supporting Task Forces, each addressing one dimension of competitive advantage
 - 40 specific initiatives
 - Quantified, measurable goals
- Initially focused on Fresno-Clovis Metro; now linking with similar efforts throughout the San Joaquin Valley

What the Region is Doing

A few Examples

- Regional Jobs Initiative
- Collaborative Regional Initiative

Collaborative Regional Initiative

- Five focal areas:
 - Primary literacy
 - Creating a climate of innovation
 - Building superior technology infrastructure
 - Improving the effectiveness of public and non-profit human services systems
 - Collaborative, long-range land use and transportation planning

What the Region is Doing

A few Examples

- Regional Jobs Initiative
- Collaborative Regional Initiative
- Health Care Initiatives

Health Care Initiatives

- Pursuit of a UC Med school for the San Joaquin Valley
- Pursuit of pilot accreditation programs for Fresno State in specialty medical areas
- Consortium formed to build health care occupational training center

What the Region is Doing

A Few Examples

- Regional Jobs Initiative
- Collaborative Regional Initiative
- Health Care Initiatives
- “Interstate 99” Initiative

“Interstate” 99

- The table has been set for interstate designation for Highway 99
 - Entire State delegation now supports interstate designation (with waivers) for Highway 99
 - Entire Federal delegation also in support
 - U.S. Secretary of Transportation Norman Mineta is receptive

What the Region is Doing

A Few Examples

- Regional Jobs Initiative
- Collaborative Regional Initiative
- Health Care Initiatives
- “Interstate 99” Initiative
- Operation Clean Air

Operation Clean Air

- Clean Air Action Plan involving all sectors of the economy and all pollution sources, developed with active community involvement
- Unified support for an “Air Quality Empowerment Zone” (modeled on Economic Empowerment Zones) seen as the way to facilitate and finance implementation of these plans

What the Region is Doing

A Few Examples

- Regional Jobs Initiative
- Collaborative Regional Initiative
- Health Care initiatives
- “Interstate 99” initiative
- Operation Clean Air
- Crime Fighting Initiatives

Crime Fighting Initiatives

- Central Valley High Intensity Drug Trafficking Area with Federal Funding to combat **meth**
- Multi-Agency **Gang** Enforcement Consortium
- District **Crime Suppression** Teams (in 2003 made 3,484 arrests in City of Fresno)
- **Fresno Citizen Corps** is considered one of three "best practices" in the nation

What the Region is Doing

A Few Examples

- Regional Jobs Initiative
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- Health Care initiatives
- “Interstate 99” initiative
- Operation Clean Air
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- “Innovative Energy” Initiative

“Innovative Energy” Initiative

- Partnership between Federal Interagency Task Force, Great Valley Center, Department of Energy, City of Fresno and RJI
- Purpose is to improve energy efficiency, costs and access to alternative energies in the Valley; and to reduce pollutants.

The San Joaquin Valley is now a “Prepared Community”

- Strategically focused
- Working across political jurisdictions
- Private & public sectors working together
- Doing the heavy lifting
- Speaking with one voice
- **Investment worthy**

What the Federal Government is Doing

- Federal Interagency Task Force for the Central Valley of CA is fully engaged: RJI is # 1 priority
- Senators Feinstein and Boxer, Congressmen Dooley, Nunes and Radanovich each supporting an RJI earmark
- Unanimous support from Congressional delegation for H 99 Interstate designation
- Supporting efforts to attract new business
- Receptive to "Air Quality Empowerment Zone"
- It's not \$20 billion (see *Appalachian Regional Commission*), but it's a start.

What the San Joaquin Valley needs from the State government

- **Sustained Focus** on the **unique issues** of the Valley ■
- An **engaged partner** in the *development and implementation* of a comprehensive ***action plan*** for the economic recovery of the San Joaquin Valley
- Someone with direct access to the Governor who is **responsible** and **accountable**.

Proposed Action Plan for the Economic Recovery of the San Joaquin Valley

- 1) Create a State Inter-Agency Task Force for the San Joaquin Valley
- 2) Support key Valley initiatives
- 3) Increase appointments to Key Boards and Commissions
- 4) Use the Governor's bully pulpit to help Californians understand the adverse effects of the San Joaquin Valley crisis

1) State Inter-Agency Task Force Structure & Organization

- Patterned after Federal task force
- One or more designees from each Executive Branch Department
- Lead Agency: Secretary of Business, Transportation and Housing
- Senior staff representative appointed by the Governor as task force coordinator.
- **Not** a new bureaucracy.

State Inter-Agency Task Force

Mission

1. Evaluate Valley issues & options
2. Recommend modifications of funding formulas, issuance of funding preferences and granting of waivers for areas with “chronic unemployment”
 - Through Executive Orders
 - Through legislative action
3. Recommend actions to raise Valley K-12 funding to State average
4. Use the Valley as a “test-bed” for fast-tracking recommendations of Performance Review Board

State Inter-Agency Task Force

Mission (cont'd)

5. Support efforts to attract new businesses to the Valley
6. Coordinate with local government and the Federal Inter-agency task force
7. Be an advocate for Valley issues in the Governor's office
8. Communicate Valley conditions, and their potential State impact, to the people of California

2) Support KEY Valley Initiatives

- Construction of a U.C. Med School and Medical Research Center
- Authority for CSUs to grant professional and applied doctorates
- Interstate designation for H 99
- San Joaquin Valley Air Quality Empowerment Zone

3) Boards and Commissions

Increase administration appointments to a level commensurate with population and consistent with needs of the Valley.

4) Use the Governor's Bully Pulpit

- Legislators from North and South, indeed all Californians, must understand the adverse effects of the Central Valley crisis
- Effective delivery of that message requires the Governor's bully pulpit

DISCUSSION





SUMMARY

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